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Pricing Corn Silage

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Introduction

The difficult weather this year has resulted in some corn fields planted for grain not maturing adequately for optimum yield and quality. Growers may be looking at harvesting or selling some of those fields for corn silage. Farm to farm sales of corn silage creates and fills a market, and helps maintain Crop Insurance average farm yields.

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Supply & Demand

A common question asked is "what is corn silage worth"? Supply and demand will ultimately determine the price. Lower grain corn prices mean lower silage prices. This year, the buyers appear to be in the driver's seat. It is important that you make your own assumptions for your situation and calculate your own costs in order to determine what you feel is an acceptable price. Then negotiate the best you can.

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Feed Quality of Immature Corn Silage

Slightly immature, frost damaged corn that has dented can make good silage. In general, slightly immature corn silage will have slightly higher fiber and crude protein and slightly lower energy levels than normal corn silage. Research shows that very immature corn at the "dough" stage averages 4 percentage points less In Vitro Dry Matter Digestibility (IVDMD) and about 14 percentage points greater Neutral Detergent Fiber (NDF) than silage at the one-half milk line stage. Buyers need to consider the nutrient value of corn silage that may be of poorer quality. Information on "Frost and Immature Corn Silage" is available on the OMAFRA Crop Website.

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Example Calculations

One method to determine the price of corn silage is to compare it to the value of

grain corn. As an example, we will look at the two fields in Table 1. The first field will be a corn crop with decent yield and quality. The second field will yield 65% of that with grade #4 corn. These calculated corn silage values are not necessarily the cost of production, or the feed nutrient values, but reflect the market value of the alternate harvesting options.

The expected grain value should be adjusted for custom combing, drying, and trucking charges to give us a value of the crop in the field. The additional soil nutrient value (N-P-K) removed in the stover is about $3.25 per tonne of corn silage. If the seller is going to fill the silo for the buyer, custom silo filling charges should also be added. The Crop Budgeting Aids and the Custom Rate Survey are available from the Ontario Ministry of Agriculture, Food & Rural Affairs.

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Other Considerations

Other factors should also be considered. The local supply and demand of corn silage and alternate forages will influence the price. The availability of silage storage and the economics of feeding are considerations. Growers with immature, poor quality corn, without crop insurance have few options. Sellers with Crop Insurance should contact Agricorp (1-888-247-4999) to determine how selling corn as silage will impact a claim. Good yield and quality estimates are important and should take into consideration actual weights and percent moisture. The removal of the stover organic matter could be considered as well. If a seller has corn that can make grain, he may not want to take a "harvest price" and lose the marketing flexibility. Drying charges are higher this year.

This example is meant to be a general guide for farmers to be used as a starting point in negotiations between buyer and seller. Make your own assumptions and do the calculations specific to your situation.

Table 1 - Pricing Corn Silage Example Calculations

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	Example #1	Example #2
Assumptions		
grain yield	2.8 mt	1.8 mt
grade	#2	#4
corn silage yield	14.25 mt	9.2 mt
grain price / mt	$103	$98
Calculations		
gross grain value per acre (yield X price)	288.40	176.40
- drying (28% moisture @ $17/mt)	-47.60	
- drying (32% moisture @ $20/mt)		-36.00
- combining	-33.00	-33.00
- trucking (@ $7.50 / mt)	-21.00	-13.50
= gross value less grain harvesting costs	186.80	93.90
+ N-P-K value removed in stover	+46.31	+29.90
Value Standing		
per acre	233.11	123.80
per metric tonne (mt)	16.36	13.46
+ silo filling ($150 / hour, 2.5 acres / hour)	60.00	60.00
Value In Silo		
per acre	293.11	183.80
per metric tonne (mt)	20.57	19.98

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